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DDI-2834-74

27 SEP 1974

MEMORANDUM FOR: General Counsel

ATTENTION : [redacted] STAT

SUBJECT : Disclosure of Intelligence to US Corporations

REFERENCE : Your Memorandum dtd 3 Sept 1974, Same Subject (OGC 74-1583)

1. I have reviewed referenced paper and find that it is a good presentation of the issues surrounding the question of whether and to what extent the Agency should provide intelligence to US corporations engaged in foreign trade. Judging by the frequency of inquiries that we hear and the likelihood that we will be required by Congress to make some kind of a statement on this matter, I think your paper is timely and gives us the opportunity to decide conclusively what CIA policy is on relationships with US and multinational corporations. I feel that we need sooner, rather than later, a very explicit policy statement--a regulation or a directive from the DCI--that can be used to respond to our oversight committees or other Congressional bodies such as Senator Church's Subcommittee on Multinationals.

2. To help decide what this policy should be, I think that we need a much more comprehensive paper. I think it would be useful to have a study on what our practices have been in the past, what kind of statutory obligations we have and do not have in this respect, how our stance is affected by special relationships

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with commercial firms and finally, on the basis of these considerations, some specific recommendations as to what the policy should be.

3. I recommend the best way to do this is to set up an interdirectorate study group to produce such a paper. As far as the Directorate of Intelligence is concerned, I would be prepared to task OER to provide a representative and to make an input into the study group. Without in any way intending to delimit the subjects the study group might consider, I am attaching an outline of some of the considerations that I believe would be proper for such a study.

STAT

EDWARD W. PROCTOR
Deputy Director for Intelligence

Attachment

ADDI/PVWalsh/tb (27 Sept 74)
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Interdirectorate Study on CIA Policy on Relationships With US and Multinational Corporations

1. A review of CIA past practices on this matter, including such activities as briefings of officials of US or multinational firms; contract arrangements with the same; special arrangements (quid pro quo) with such firms. This review should also include a study of all previous official CIA statements that may have been made to the Congress.

2. A review of statutory obligations which CIA has in its relationships with US business firms.

3. An outline of the various ways and conditions under which CIA might supply information--unclassified, official, or classified--to US commercial firms.

4. A discussion of the advantages and disadvantages of each of the cases discussed in 2.

5. A recommended policy directive for DCI approval.

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